

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING IS MADE

THIS the _____ day of _____ 20____;

BETWEEN

National Jute Board (NJB), having its Head Office at 3A & 3 B, **Park Plaza** 71 Park Street, Kolkata – 700016, being the implementing Agency, hereinafter referred to as “the Board”, and henceforth shall be known as the Party of the 1st Part.

AND

_____ having its Registered Office at _____ hereinafter referred to as the “Operating Agency”, (OA) for establishment of Jute Raw Material Bank (JRMB) at **for operation in the district ofState and its adjoining areas of..... and henceforth shall** be known as the Party of the 2nd Part.

Cont..P /2.

WHEREAS NJB grants privileges to the Operating Agency (OA) _____ for establishment for a Jute Raw Materials Bank at _____ as per the terms and conditions of Jute Raw Materials Bank Scheme (JRMB) of NJB, for the purpose of supply of jute and products' related raw materials as defined in the scheme to the weavers (handlooms/power looms), artisan, MSME's, WSHG's/SHG's, NGO's, Societies etc. engaged in the production of Jute Diversified Products at reasonable prices i.e. mill gate price plus the actual transportation cost.

AND WHEREAS this M.O.U. shall remain valid till **31st March 2020** and further extended up to 4 years from the date of signing subject to satisfactory performance and achievement of targets or until termination (whichever is earlier) at the instance of either party at any time by giving the other party a notice of one month in writing to be sent under Registered Cover with A/D or by Speed Post with A/D to the registered address as mentioned above. In the event of such termination, the Board shall settle all the unadjusted claims on *pro rata* basis along with any other dues as the case may be. The Terms and Conditions of the agreement may be modified or substituted by a fresh M.O.U. as and when deemed fit by the BOARD by issuing a notice of one month.

AND WHEREAS in observance of this M.O.U., we the undersigned on behalf of BOARD and Operating Agency (OA) respectively do hereby agree to the opening and operation of Jute Raw Materials Bank on the terms and Conditions as detailed hereunder **AND NOW THIS MEMORANDUM OF UNDERSTANDING**

WITNESSETH AS FOLLOWS:-

ACTIVITIES TO BE UNDERTAKEN BY THE OPERATING AGENCY OF JRMB

1. To survey and identify the existing as well as the potential clusters, where JDPs activities can be undertaken for production of JDPs through WSHGs/Artisans/Entrepreneurs etc. on sustainable basis.
2. To create awareness among the targeted beneficiaries about the JDPs, their applications and utilities.
3. To assess the requirements of jute materials by the WSHGs/Artisans/Entrepreneurs etc. for manufacturing JDPs as per the market trend and to supply the same as per their requirements.
4. To undertake regular updating of jute production units such as WSHGs, artisans, entrepreneurs in their respective areas and maintain a data base for the same and forward the same to NJB on monthly basis.
5. The Operating Agency (OA) must purchase fabrics from Jute Mills against proper invoice and digital transaction only.
6. Set-up E-marketing modes with internet connection for showing availability of raw materials and accessories online through inventory racking system or software similar to Tally and also recording Aadhaar No./ Mobile No. of Artisans/ buyers of JRMB.
7. Having system of mobile bill generation.
8. The JRMBs will sell all materials to their customers at their Cost Price i.e. the price at which the materials are bought by JRMBs plus the cost of transportation of the materials.

PERFORMANCE GUIDELINES - PHYSICAL AND FINANCIAL TARGETS FOR OPERATING AGENCY OF JRMB

1. Target and Incentives on Quarterly / Monthly (in case claim is for 1 – 2 months, for start/ end of the scheme period) basis :

Year	Minimum Sales to be achieved by JRMB (Rs.)	Incentives to be received by JRMB if minimum sales are achieved (Rs.)
1 st	Rs. 1.60 lakhs / Quarter Rs. 53,333 / Month	@ 15 % of total Sales achieved subject to maximum of Rs. 3.78 lakhs / Quarter or Rs. 1.26 lakhs / Month.
2 nd	Rs. 1.60 lakhs / Quarter Rs. 53,333 / Month	@ 15 % of total Sales achieved subject to maximum of Rs. 3.78 lakhs / Quarter or Rs. 1.26 lakhs / Month.
3 rd	Rs. 1.60 lakhs / Quarter Rs. 53,333 / Month	@ 12 % of total Sales achieved subject to maximum of Rs. 3.204 lakhs / Quarter or Rs. 1.068 lakhs / Month.
4 th	Rs. 1.60 lakhs / Quarter Rs. 53,333 / Month.	@ 10 % of total Sales achieved subject to maximum of Rs. 2.82 lakhs / Quarter or Rs. 0.94 lakhs / Month.

- 2. For being eligible to run a JRMB, minimum sale worth Rs. 1.60 Lakhs per quarter has to be generated. No JRMB will be considered for continuation below this threshold limit.
- 3. In every Quarter, minimum no. of buyers must be 6 and Maximum transaction per buyer will be limited to 6 Lakhs and to be reduced proportionately for monthly claim, during the start or end of its operation.
- 4. Raw Jute Fibre & Accessories are not to be included in the JRMB incentive calculation. However the Operating Agencies may sell these materials on their own capacity.
- 5. All Jute fabrics should be bought by the agencies from Jute Mills against proper invoice and through digital transactions only.
- 6. Operating Agencies (OA) will submit their quarterly / monthly claims along with original bills / vouchers, GST Returns certified by the Chartered Accountant. GST payment to be reflected in the Bank Statement which is to be certified by the Bank with signature and stamp.
- 7. For the purpose of Jute and Jute Blended yarn/fabric/products etc., the standard definition for such products adopted by NJB will only be considered.

NOTE:- For JRMBs in N.E.R States, other hilly areas, J & K, Uttarakhand, Himachal Pradesh, Andaman and Nicobar Islands and Lakshadweep Islands, additional transportation cost @ Rs. 1.50 per kg will be reimbursed.

ROLE AND SUPPORT OF NJB FOR RUNNING THE JRMBs :

The Role of NJB are as follows:

1. Publicizing the location, activities and facilities of the JRMBs;
2. Informing and guiding WSHGs/artisans/entrepreneurs etc for purchase of jute fabric from the JRMBs;
3. Arranging tie-ups of JRMBs with the Mills for uninterrupted supply of desired quantity and quality of jute raw materials to the NJB supported JRMBs without fluctuation of prices.
4. To support by supplying Booklets, leaflets, catalogues etc. on JDPs in local and other languages for publicity etc. to the JRMBs;

PAYMENTS TERMS:

Payments for incentives and the operational cost will be released on quarterly basis based on the approved annual action plan as under;

1. OA will submit their quarterly / monthly claims along with original bills / vouchers, GST Returns certified by the Chartered Accountant. GST payment to be reflected in the Bank Statement which is to be certified by the Bank with signature and stamp.
2. The JRMB will also submit their Audited Sales return and Audited Expenditure Statement including performance (Target Vs Sales achieved).
3. The JRMB will ensure that payments are made in the form of Cheques or through digital transaction. Cash transaction should be reduced to minimum. Transactions beyond Rs. 5,000.00 must be done through draft, and cheques and digital transaction only.
4. Recent photographs of the outlet, both inside view & outside view, to be submitted with the claim document.
5. 100% payment will be released on assessing and passing of the bills by NJB on quarterly basis.
6. The JRMBs should maintain AADHAAR based data base of the buyers and should submit a copy to NJB along with their claim document.
7. In addition to the above, if any other relevant papers are required by the NJB approval team, it will be intimated to the JRMB in a separate letter.

MISCELLANEOUS GUIDELINES FOR JRMB OPERATING AGENCY:

1. Separate bank accounts will be maintained by the agency for the funds released by NJB which shall be subject to audit by NJB or its authorized agencies.
2. The agency shall be bound to ensure health & safety standards in work place. It shall also comply with Social, Ethical , Quality and environmental compliance standards;
3. The agency will ensure Proper identification of their beneficiaries in the form of registration and issuing ID Cards;
4. The Activities and performance of the JRMBs will be monitored by the Marketing Division through the Regional Office/ Head Office in their respective regions. They will make physical inspections of these JRMBs and their activities on quarterly basis. The JRMBs will disclose and present/give all the relevant information and documents relating to the activities, beneficiaries, funds, GST details etc. For this a suitable pro-forma will be devised by the NJB and will be given to JRMBs whenever the inspections are carried out.
5. The performances of the JRMBs and renewal terms will be reviewed periodically by the Monitoring and approval Committee as per Scheme.
6. If any agency shut down the JRMB / RO functioning within 5 years of the last receipt of JRMB claim for the respective month, without bonafide reason, then the agency (or agency where same director / proprietor / group is involved) will not be eligible to apply to any other schemes operated by NJB.

6. Deviation from any of the above mentioned clauses will lead to immediate termination, after serving “**SHOW CAUSE**” notice and **upon** not getting any satisfactory reply.
7. Any dispute arising out of this agreement shall be referred to the Arbitration and Reconciliation Act 1996, within the jurisdiction of Kolkata.

The parties hereto have set and subscribed their respective hands and seals on the day, month and year as first above written.

SIGNED SEALED AND DELIVERED

1.

**Signature of the Proprietor / Head of the
Institute with Seal of the Operating Agency**

2.

**Signature of the Secretary,
National Jute Board**